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SUBJECT: Latvian concerns on proposed bill on tax havens

On March 7, Latvian MFA U/S for economic affairs Maija Manika convoked pol/econ chief to register Latvian concerns on legislation recently introduced in the Senate designed to end abusive tax havens (other topics of meeting covered septel). Manika said that Latvia was especially concerned about the legislation's proposed designation of Latvia as an "offshore secrecy location." Presenting a non-paper on the subject (e-mailed to EUR/NB), Manika said that Latvia was proud of recent work to clean up its banking sector and bring it in line with OECD, IMF and UN treaty standards. Manika said that Latvia recognized that this was a legislative branch issue and the Latvian Embassy in Washington would be approaching the offices of the legislation's sponsors, but wanted to make the Embassy aware of Latvia's strong concerns that the legislation unfairly portrays Latvia's financial sector in a negative light. Pol/econ chief noted that Manika was correct that this was a legislative prerogative, but agreed to report Latvia's concerns back to Washington.

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